



SO ORDERED.

SIGNED this 27 day of March, 2008.


J. Rich Leonard
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
WILSON DIVISION**

IN RE:

SAK DEVELOPMENT, INC.,

DEBTOR.

CASE NO. 07-02215-8-JRL

ORDER

This case is before the court on a motion by Paragon Commercial Bank ("Paragon") for an order suspending or staying the effect of the court's February 29, 2008 order requiring Paragon to reimburse \$61,265.32 to American Constructors of North Carolina, Inc. ("American") for certain expenses under 11 U.S.C. § 506(c).

The court finds that Paragon's motion should be granted for the following reasons. First, Paragon's arguments why it is not liable to American for reimbursement under § 506(c) present complex issues in a highly contested matter, and Paragon's appeal has a likelihood of success on the merits. Additionally, Paragon is faced with the threat of irreparable harm if the stay is not granted because there is a distinct possibility that, should Paragon succeed in its appeal, American may not be able to reimburse the funds since the funds will admittedly be used to pay its creditors through its chapter 11 plan of reorganization. Finally, a stay of the court's previous order will not cause

significant harm to American, as it can assume in its proposed plan of reorganization that it will receive these funds within a reasonable period of time. Accordingly, Paragon's motion for a stay of the court's February 29, 2008 order is granted. No bond is required, as the court is confident that Paragon will promptly pay the judgment if affirmed on appeal.

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